

FISCAL NOTE
HB 2481 - SB 2886

March 2, 2008

SUMMARY OF BILL: Requires all persons and entities operating licensed child care agencies to establish a drug testing policy for employees.

ESTIMATED FISCAL IMPACT:

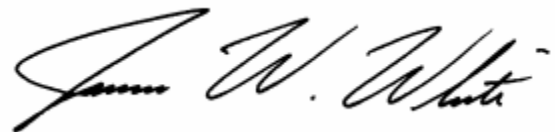
Increase State Expenditures - \$584,500/One-Time/FY09-10
\$216,300/FY09-10 and Subsequent Years

Assumptions:

- Child care agencies will pass the cost for the initial and random drug tests of employees on to the consumers by raising rates.
- The Department of Human Services (DHS) reimburses child care providers at a rate which is determined by an annual market study conducted at the beginning of each fiscal year. The market rate will increase in FY09-10 to cover the increase in the providers' expenditures for employee drug testing during FY08-09 and subsequent years.
- DHS estimates that there are 16,700 employees of child care agencies who will be tested at a rate of \$35 per test resulting in a one-time increase to the overall rate of \$584,500 (16,700 x \$35).
- It is estimated that there is a 30 percent average turnover rate for employees resulting in a recurring increase in the overall rate of \$175,350 (16,700 x 30% x \$35).
- It is estimated that 10 percent of the remaining employees will be subjected to random drug testing resulting in a recurring increase in the overall rate of \$40,915 ((16,700 - 5,010) x 10% x \$35).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/kml

HB 2481 - SB 2886